

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

August 25, 2006

In Reply Refer To:
Overland Trail Transmission, LLC
Docket Nos. PR06-15-000 and PR06-15-001

Overland Trail Transmission, LLC
370 17th St., Suite 2500
Denver, CO 80202

Attention: Katie Rice, Director, Regulatory Affairs

Reference: Offer of Settlement

Dear Ms. Rice:

1. On August 1, 2006, Overland Trail Transmission, LLC (OTTCO) filed an Uncontested Offer of Settlement (Settlement) pursuant to Rule 602 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.602 (2006). The Settlement resolves all rate issues with regard to the rate petition filed by OTTCO on March 31, 2006.
2. The following is a summary of the major provisions of the Settlement.
 - a. Effective April 1, 2006, the fair and equitable rates for transportation service pursuant to section 311 of the Natural Gas Policy Act of 1978 (NGPA) performed on OTTCO's intrastate pipeline shall consist of a maximum rate of \$0.2681 per MMBtu, plus OTTCO is authorized to recover fuel and lost and unaccounted for gas on a pro rata basis.
 - b. OTTCO has not collected an amount in excess of the rates approved in paragraph (a) hereof for section 311 services on or after April 1, 2006. Therefore, no refunds are due under this Settlement.
 - c. On or before March 31, 2009, OTTCO shall file a petition pursuant to section 284.123(b)(2) of the Commission's regulations to justify its current rates or to establish new rates applicable to NGPA section 311 services.

- d. The provisions of the Settlement shall not become effective unless and until the Commission enters an order accepting and approving all terms and conditions of the Settlement without modification or condition, and such order becomes final and no longer subject to further proceeding before the Commission.
 - e. The Settlement represents a negotiated agreement of the issues in this proceeding. OTTCO, the Commission, and its Staff, or any other party shall not be deemed to have approved, accepted, agreed, or otherwise consented to any principle or issue in this proceeding.
3. A shortened comment period was established with initial comments to be filed on or before August 9, 2006, and reply comments to be filed on or before August 14, 2006. No adverse comments or protests were filed. Pursuant to section 385.602(g)(3) of our settlement rules, the Commission finds that the uncontested settlement is fair and reasonable and in the public interest and therefore, the Settlement is approved.
4. This letter order does not relieve OTTCO of its obligations to file the required reports under Part 284 of the Commission's regulations. The Commission's approval of this Settlement does not constitute approval of, or precedent regarding any principle or issue in this proceeding.

By direction of the Commission.

Magalie R. Salas,
Secretary.